Globalization and its Challenges, with Special Reference to China

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2000

Faculteit der Economische Wetenschappen en Econometrie

SERIE **RESEARCH MEMORANDA**

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Research Memorandum 2000-39 **December 2000**

vrije Universiteit *amsterdam*

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Abstract: The main approach of this study of globalisation is historical. We look at three periods in world history when the most promising and enduring civilisation was overtaken by the less promising one. A simple model is proposed to make sense out of the tremendous shift. Subsequently we use the findings to see if they can provide some insights into understanding the challenges posed by globalisation to the People's Republic of China. It is suggested that the most pressing task is to strengthen the state to cope with the new challenges. Concretely, it is to nurture a stratum of senior civil servants dedicated to the interests of the state; they must be selected on the basis of competence and integrity. They are to form the crucial instrument in political stability, social harmony and national cohesion. The on-going economic modernisation in Asia represents an opportunity for full social development, to encompass spirituality, cultural advancement, civil society and material progress.

Key words: bureaucracy, globalisation, China, state building, development.

Introduction

The mainstream emphasis of writings on globalization is on economics, capital, finance, and information technology (Dunning 1993; Friedman 1999; Hirst and Thompson 1999: Ruud 1997). Notable exception are Castells (2000a, 2000b and 2000c) and Hutton and Giddens (2000). Moreover, there is a tendency for the Western opinion leaders to propagate a set of prescriptions for the rest of the world to cope with globalisation that are based on the historical experience of the West.

As a way of contributing to the discussion on globalization, I propose to look at globalization from a historical perspective, with specific reference to China. The

[1] A shorter version of the paper was presented as a research seminar paper at The Chinese Academy of Social Sciences, Beijing on 25 May 2000

process of integration of the Third World into the global market has its own specific characteristics. It was the reverse of the European experience. The process was one closely associated with European subjugation of the Third World nations and peoples. Unlike the West and Japan, which exploited the colonies to support their econo0mic modernization program, these countries could depend only on their own savings and import of foreign technology and capital. Moreover, whatever industrialization was undertaken took place as part of the so-called international division of labour, often at terms favourable to the West which were and still are economically and technologically more powerful.

It therefore comes as no surprise that the mainstream ideological development in the Third World has for a long time displayed features that for the sake of simplicity may be summed up by a few key words: anti-colonialism, nationalism, and ambivalence towards liberal democracy. Granted that there are certain Western institutions which have proved their merits through the test of time, there is a deep seated wish of the emerging economies not to assimilate these institutions without a process of adapting them to their own concrete conditions. Equally deep seated is the wish to tap on their own institutions, values and historical experiences, and where necessarily to modernize them, to serve their own needs. To many Third World nationalists, there is no solid argument, other than that of sheer power politics, to assert that the Western experience is universal. In other words, it is perfectly possible to embrace modernity without being westernized (Huntington 1996) or without having to abandon what is special and distinct about non-western way of life. In saying this, we do not deny the value of some of Western institutional innovations and we are just too glad to reaffirm the core values that both the East and West share and cherish, values such as justice, compassion, tolerance and integrity.

With such sympathy and an historical orientation, the paper sets out to explore a historically grounded approach that a country like China can have to cope with the challenges posed by globalization. The response must represent a way forward while at the same time it must enjoy a good chance of being accepted by the Chinese people. We look at three periods in world history when the most promising and enduring civilisation was overtaken by the less promising one. A simple model is proposed to make sense out of the tremendous shift. Subsequently we use the findings to see if they can provide some insights into understanding the challenges posed by globalisation to the People's

Republic of China. It is suggested that the most pressing task is to strengthen the state to cope with the new challenges. Concretely, it is to nurture a stratum of senior civil servants dedicated to the interests of the state; they must be selected on the basis of competence and integrity. They are to form the crucial instrument in political stability, social harmony and national cohesion.

Three Examples from World History

The first example is the Han Empire of China and the Roman Empire around the fourth century. To a scholar of world history then, it might have appeared that Rome would endure and the days of the Chinese Empire would soon be over. North China, the heartland of the empire, was completely overrun by barbarians; South China was incapable of restoring imperial unity. And the whole country was being swept by a foreign religion which had an otherworldly emphasis and a celibate, monastic ideal that cut at the roots of Chinese philosophy and its family-centred social system. As it turned out, the Chinese Empire was eventually reconstituted, while Rome faded into a mere memory (Fairbank and Reischauer 1979: p.93).

The second example is provided by the Islamic civilisation of the Middle East at its peak and medieval Europe. The golden age of Islamic civilisation presented a proud picture – in many ways the apex of human achievement of that era. There were indeed other civilisations at that time that were advanced and sophisticated, and perhaps even ahead of Islam in some achievements. But these civilisations remained essentially local civilisations. Only Islam created a religious civilisation beyond the boundaries of race or region or culture. The Islamic world in the high Middle Ages was international, multi-racial, poly-ethnic. It shared with Christian Europe the Hellenistic and Judaeo-Christian heritage, but it was superior to Christian Europe as it was able to enrich itself with elements from other lands and cultures. Its brilliance was all the brighter when compared to the poor, parochial, monochrome culture of Christian Europe. Yet it was the latter that progressed from strength to strength while the Islamic civilisation lost creativity, energy and power (Lewis 1995:269-270).

The third example is what we have observed in the last century. Europe at the turn of the twentieth century was the centre of the world in terms of military power, political

dominance, technology and finance. It was the creditor of America, and in manifold ways the source of intellectual and cultural inspiration to the new nation, America. However, within a few decades, the position was drastically changed. By the 1940s Europe toppled from its pre-eminent position. It lost out to America in all major aspects and had to rely on America to re-build its economies and for military protection (Roberts 1999).

A Tentative Explanation

The reasons for such change of fortunes are complex, and have occupied the pages of many learned volumes. For example, "How was China able to achieve so long a period of cultural stability? The reason may have been the balance between political, social, and intellectual forces that China had achieved by the 13th century – a sort of perfection within the bounds of the ideas and the technology of the time. The balance was so firm that it took massive blows from the outside to destroy it in the 19" and 20th centuries. (Fairbank and Reischauer 1973: 151)" However, for the purpose of this paper I would propose a very simple model which is based on my general observation of society. To justify the choice of such a simple model, let me draw some insights from the postulate of commensurate complexity of Thomgate (1976). The postulate states that it is impossible for a theory of social behaviour to be simultaneously general, accurate, and simple. The simpler and more general a theory is, the less accurate it will be in predicting specifics; the more accurate and general it is, the more complex it becomes; and so forth. Here I opt for simplicity, then generality.

The wellbeing of a country includes its economic strength, national cohesion and harmony, political stability, cultural and intellectual achievement and military capability; it depends on physical resources, human resources and societal resources. Physical resources refer to natural resources, technologies and physical infrastructure. Human resources refer to human labour, knowledge and skill in the broad sense of the words. Societal resources refer to resources residing in moral and ethical systems, institutions, culture, language, social harmony and community spirit.

In all the three examples from world history mentioned in the previous section, it was *mainly* in the failure in the area of societal resources that effectively undermined the position of the more promising civilisation. It was the failure of the society in general and those in power in particular to respond to the challenges of the time. In saying this, I am

not denying the importance of the other two areas, e.g. the geographical position. Often the combined effect of weaknesses in the three kinds of resources was manifested in a concentrated manner in disastrous defeat in military confrontation with another power.

Historians who take a long view of the progress of human civilization pay more attention to the role of societal resources. One such historian is Arnold Toynbee (1948). He raised the question, "Who are . . . the greatest benefactors of the living generation of mankind?" His answer is, "Confucius and Laotze, the Buddha, the Prophets of Israel and Judah, Zoroaster, Jesus, Mohammed and Socrates (p. 18 l)." Toynbee was referring to the teachings of spiritual leaders and moral philosophers. Societal resources at this level would be culture, ethics, worldview, historical heritage, etc.

If we take a shorter time span than that discussed by Toynbee, then we have the role of political and social institutions. Such institutions for a long time have engaged the attention of political leaders, economists, sociologists and political scientists from Adam Smith to Alexis de Tocqueville, and more recently Max Weber and Douglass North. At the close of the Second World War, most European leaders wanted an institutional solution to the repeated destruction and havoc, which originated in narrow nationalism (Davies 1997; Castells 2000a; Roberts 1999). Though proclaimed in ideological language and loaded with technocratic ambitions, the central goal of European integration in the 1950s was to avoid a new world war. Three decades later, it was the fear of being swamped by the economic power of the USA and Japan that provided the second impetus and led to the constitution of a unified market. This is an interesting example of an institutional response to globalisation. The third impetus to European integration is occasioned by the fall of the Berlin Wall and the reunification of Germany.

With a shorter time span and a narrower perspective, there is the role of social capital. Social capital refers to the set of resources, tangible or virtual, that accrue to organisations through social structure, facilitating the attainment of organisational goals. Researchers like Putnam (1995) have investigated how individuals can obtain private benefits through participation in a collective and contribution to the building up of social capital. It has been documented that social capital can promote human capital development within family and community units (Coleman 1990). New forms of social capital can evolve in a high-tech and innovative environment, where the social participants use whatever cultural resources they possess to create a new community to

support their working and social life (Cohen and Fields1999). Even in the field of management studies, researchers like Nahapiet and Ghoshal (1998) are singing the praises of social capital in promoting business activities.

Problems of Globalisation

In the context of current discussion on globalisation, we are repeatedly reminded by various commentators that globalisation is a new challenge confronting all countries. The new global landscape is defining a new kind of contest among countries and markets with greater rewards for certain policies and also greater punishment for mistakes. The risks are quite plain for all to see, e.g. gross and growing inequalities, environmental wreckage, erosion of national sovereignty, and exposure to the vagaries of international financial capital. On the other hand, there are benefits too, such as access to world market and capital, technological transfer, and competition (Eichengreen 1999; Castells 2000a, 2000b). Sometimes the results can be mixed. For example, for Japan, globalisation may mean cheaper imported rice, but this results in the disappearance of a section of the peasantry which forms the social basis of an important aspect of culture in Japan. Or globalisation may result in dangerous dependency of China on wheat import from the USA. Another aspect that is not highlighted enough is the serious question of global crime network which has proved to exercise very sinister influence in the political life of many countries (Castells 2000b). Very few countries which are integrated deeply in globalisation appear to be able to cope with the new problems associated with global crime network.

Having briefly listed some of the pluses and minuses of globalisation, how did various countries perform in the process? Here again the results are not uniform. From the wider perspective of human development, the question is very difficult to answer. From the narrow perspective of economic development only, the answer is relatively easier. The losers and winners for all to see. Russia has become almost an economic wasteland, while Singapore is a success story. One thing we can learn from the works of Castells (2000a, 2000b) is that globalisation is an extremely complex phenomenon and each country must approach the issue with great care and preparation. It is a challenge of historic proportion.

In the face of the powerful current of globalisation, do countries have a choice to involve itself in the process. I think the answer is yes. Most countries, including the USA, are adopting a graduated degree of globalisation, rather than a total acceptance or rejection of it. Of course, the choice is more limited than before. One may say that since the beginning of the Industrial Revolution, the world is becoming more and more integrated. One consequence of this is that we must discuss national issues in the context of major world events. This point is brought home all the more poignantly by the First and Second World Wars, and the bitter experience of China in the last two centuries.

Globalisation is a complex and multi-facetted phenomenon. It is advisable to adopt a step-by-step approach to participate in the process. The approach avoids the pitfalls of making big blunders while providing the opportunity to learn from experience all the way. Even Eichengreen (1999), a keen advocate of international financial liberalization, argues strongly against precipitous liberalization before the necessary institutions are in place and are functioning well. On the question of how best to react to the on-going globalisation process, most commentators emphasise the important role of the societal resources. Though differing in details, such emphasis is shared by new institutionalists and political economists (Hollingsworth and Boyer 1997). Some samples of such views:

- establish institutions that enforce the rule of law
- promote price stability
- practise transparency
- introduce democratic political system
- promote an open economy
- in particular, a senior American official said: "If you think what will be required for economic success in the globalization that is exploding around us-technically dynamic, information-rich, highly entrepreneurial-then the winners in that environment will be those able to provide at least the following..." He counts on his fingers. "Free access to global information and markets. Protection of physical and intellectual property. People able to speak and associate freely. A government that has sufficient legitimacy to feel comfortable joining the global economy. An educated population. And a rules-based polity...This is a set of qualities that does not conform to a highly authoritarian system." That, put simply, is the case for political change in China. (The Economist April 8, 2000)

The list can go on and on. To them, the challenge to China from globalisation is very simple: if it wishes to maintain some form of "socialism", then how can its economic system acquire the creativity, flexibility, and dynamism to compete with Western capitalism in the world market, and with Western military technology. Many Western observers feel that the present Chinese economic system inherently is unable to catch up with and innovate at the same rate as market systems.

Some of these opinions ride on a strong wave of neo-liberalism. Others draw on Marx who anticipated the global trajectory of the industrial capitalism of his day, and foresaw how capitalism would force all economies on pain of death to adopt the capitalist mode of production, and would transform the whole globe into one giant marketplace. But these views should not be dismissed out of hand just because of their ideological background. The most important test is to see if the proposals are relevant to the concrete problems of a given country, and if they can be related in a meaningful way to the conditions of a country with its history and cultural heritage.

A Concrete Suggestion

Here I would like to make a specific proposal to build up societal resources based on my understanding of Chinese history. The top priority must be devoted to strengthening the state in the current phase of societal development, nation building and economic growth. The task is all the more urgent in the deepening process of integrating into the global economy.

As to the contention that the best way to cope with globalization is to diminish the role of the state or for it to withdraw to the back stage, there is no better place to test the idea than in Russia. In a study of the social disorder in Russia, Solnick (1998) documents how Gorbachev's reforms rechanneled the self-seeking behaviour of bureaucrats in a destructive direction. Institutions and social structures collapsed because bureaucrats at all levels made off with state assets at the first opportunity. It is a classic case of hollowing out the state and stealing of state assets in privatization program when the state is weak and when other conditions are absent.[1] The sad result

[1] Some other conditions are the existence of an entrepreneur class committed to economic production and innovation and a viable capital market.

is a downward spiral where faltering economic performance, rampant corruption and mafia capitalism reinforce each other. They all conspire to destroy even the minimal social fabric. The dismal picture is conveyed to us by the international press and other independent studies. For example, Gustafon (1999) reported the exponential growth of poverty in the early 1990s, unemployment, the health crisis, the growth of such social diseases as alcoholism and suicide, the massive rise in crime, and the growing sense of alienation. The government had no financial resources to combat the massive social problems. The financial weakness reflected the weakness of the state. It lacked the machinery to collect taxes from the vast range of emergent private concerns that have come to dominate the economy. It failed to confront some major tax defaulters, in particular raw materials producers such as Gazprom and the banks.

It has been said that the globalisation would erode to some extent the sovereignty of states that was unquestioned in the modem age; yet state will remain a strategic player (Castells 2000a). Globalisation depends crucially on the external economic policies of national government. International and external liberalisation imposes great limits on the ability of governments to exercise discretionary power, but governments themselves have chosen this course, whether by means of unilateral actions or through international agreements. Alongside greater scope for market forces in current world economy, governments retain the autonomy to conduct their core economic policy functions, the protection of property and enforcement of contracts, and the provision of other public goods, as well as autonomy in other policy matters (Henderson 1998). State's sovereignty may have to make concessions in the matters that are global in character such as pollution control, disease management and such like. There is more scope than ever before for co-operation in these fields and for them to achieve goals that would be beyond the capacity of states acting individually. The European Economic Community has provided the institutional framework for its various member states to enact legislatures to curb environmental pollution.

Moreover, the current international order is a construction created by states acting as participating members. There may be aberrations such as lobbying by powerful transnational companies, but it is the states which together draw up the rules of the game. It is because states do matter that scholars talk about the predatory states and developmental states. In fact, many researches may point out the crucial roles of the state

in the New Industrialised Countries, and in the case of Asia the Asian Tigers. "The roles of states and markets in fostering economic efficiency are intricately intertwined. If it is true about economic growth in mature industrial societies, it is even truer when it comes to creating and maintaining the institutional conditions required for sustained economic growth (Putterman and Rueschmeyer 1992: 2)." Realities inform us that the roles of states may change here and there, but they cannot be written off.

This brings us to the question of what kind of state I am advocating. I follow Castells (2000a) who stated that the promotion and sustenance of growth are components of a developmental state. Economic development is not a goal in itself but a means to a historical project to rejuvenate all aspects of the national life. The state is to fulfil its function as an entrepreneur whose task is to provide a vision for the society and to create new institutions required to achieve that vision. It is also a designer, defender, and a reformer of many formal and informal institutions. Within such framework, managers of state-run companies should be agents of economic development, rather than acting like a disciplined gang of thieves.

It is worth repeating that instead of rolling back the state, the state should be strengthened and its roles should be clearly defined in terms of national development (in the broad sense of the word) in the context of global challenges. From this perspective, the historical task is to enhance the state's capacity for transforming socio-economic relations as distinguished from mere coercive and repressive power. A related issue is how to combine bureaucratic autonomy with public-private co-operation. Different cultural traditions produce different patterns of state-private relations. It is part of the project to find the best conditions under which state action and market functioning can combine to advance growth and development.

But how should a state be strengthened? In terms of military might, state machinery of coercion, of control, or . . .? We have many examples in contemporary history to instruct us that a state needs to be strong enough to protect itself against aggression, and going beyond that is highly undesirable. The military is unable to provide capable leadership for a dynamic economy, long term political stability, intellectual and cultural vitality. This point is borne out by contemporary history, the most recent example is Indonesia. State strength is not the same as authoritarianism, for the latter lacks legitimacy and uses state apparatus to suppress opposition. A coercive state is strong in the sense of bullying its

people, but such a state can easily collapse and it is unable to provide an environment for various kinds of positive innovation.

How then can the state be strengthened to provide all the desirable attributes of cultural, social and economic development? In fact the answer to my question lies in the history of China itself. Ancient China has been credited to have provided an immensely important institutional innovation, namely, civil administration manned by bureaucrats who were selected on the basis of meritocracy (Finer 1997) . In fact this task has been recognised to be central to state building. To quote Putterman and Rueschemeyer (1992: page 245):

> The first problem of state building is to create a corps of competent officials with strong commitments to the state and to collective goals. The emergence of such commitments, which involves a profound restructuring of individual interests, seems contingent on a variety of complex historical conditions. Only a body of officials with such an orientation makes coherent state action possible and prevents the free-riding pursuit of individual advantage on the part of these officials. . . . This problem . . . is the most fundamental; it is ultimately indispensable for solving the others . . . Historically, it represented an institutional innovation of the first order, based on tremendous political, economic, and cultural resources and guided by trial and error in the pursuit of large-scale power interests.

In the case of China, such corps of officials had formed a crucial instrument in political stability, social strength and national cohesion. A study by Drucker (1998) suggests that this useful role of bureaucrats is not unique to China. Let us take a leaf from the modem history of Europe. After the disastrous defeat of Prussia by Napoleon, the whole elites of the Prussian state were discredited. Morale was at its lowest, and the country faced social disintegration. In the subsequent national revival with which the name of Wilhelm von Humbolt was closely associated, a well-trained professional stratum of bureaucrats played a significant role (Atkinson 1908). They were carefully selected based on meritocracy and trained at the best universities, patterned after the University of Berlin founded by Humboldt. They were patriotic and civic minded, competent and professional civil servants (i.e. servants of the state). They were the predecessors of the contemporary technocrats, who occupy the high offices in the

modemised western countries. Bureaucracy continues to play a vital role in modem societies, a case strongly argued for by Gay (2000). He defends the bureaucratic ethos and highlights its continuing relevance to the achievement of social order and good govemment in the modem world.

These Prussian civil servants had some similarities with their counterparts in the mandarin-bureaucrats of the Chinese imperial dynasties. The role model of Chinese civil servants of the various dynasties was an embodiment of commitment, competence and integrity. In ancient China, the founding warrior of a dynasty realised the need for an efficient civil administration. He created a place of responsibility, honour and financial security for the bureaucrat officials. The emperor exercised his power through a bureaucracy of educated men, chosen not by birth or by chance, but on the basis of learning and promoted on the basis of performance and ability. "China in short was already beginning to develop a modem type of civil service system based on merit. It was almost two thousand years before the West adopted a system similar to, and in part inspired by, that of China (Fairbank and Reischauer 1979, p.69)."

Looking back into the many centuries of Chinese history, the personal virtues of probity and loyalty, sincerity and benevolence, incalculated by the family system provided the norms for social and political conduct. The great ethical institution centred on Confucianism was the guiding ideological framework of the mandarins. The stratum was an important force in promoting patterns of individual and social behaviour compatible with the continued flowering of civilisation. The examination system functioned as the main selection mechanism. By stipulating the materials to be studied by the candidates, the system produced an intellectually unified nation. The negative aspect of one-sided emphasis on literary, historical and scholarly subjects was the slow reaction to pressing changes in the environment. If such studies were to be combined with those of practical qualities such as technology and management, one may speculate that the history of China could have been much different.

In the modem world, the selection criteria for officials need to be combined with a system of rule of law. The role of the state mandarins has to change. Emotional attachment to their own prized national and cultural heritage need not interfere with attempts to develop a modemised state of mind. The notion of loyalty to the emperor (or in the current equivalent, those holding political power) must be replaced by loyalty to

the state. Only then can the civil service perform its function to ensure state independence from powerful vested interests. Put differently, the bureaucratic ethos associated with Confucianism has to be modemised. At the same time, China should consider the fact that just as it had contributed to other parts of the world in the past, it can learn much from them. She is justified to view the Western historical achievements in modemisation with some misgivings. But this should not colour her view of the contributions of Western political and economic institutions in building a materially rich society. It is sobering therefore to read the following passage from Braudel (1985):

> A given civilization contains both the permanent and the changing. It is rooted in one place and may survive clinging to its territory for centuries on end. Yet at the same time, it accepts certain borrowings from other civilizations, near or far, and exports its own cultural goods. Imitation and influence operate alongside certain internal pressures against custom, tradition and familiarity. (p.555)

Dissenting Opinion

A word of caveat is in order. It is one thing to stress moral quality of the bureaucrats, but another to enforce a high ethical standard. Folk stories in China contain ample details of corruption, misuse of power and arbitrary dispense of justice. In the downturn of dynasty fortune, the decadence and incompetence of court officials and other bureaucrats contributed to speed up its eventual downfall.

Moreover, there is always the danger of over-extension of the bureaucracy. If left unchecked, bureaucracy tends to become more bulky and acquires a growth logic of its own (Parkinson 1958). It can act as a dead weight to hinder innovation. Regulatory agencies may be set up to serve public interests but end up serving the interest groups which they are supposed to regulate (Stigler 1975:14). Herein lie some valid criticisms of relying so much on the technocrats to run the state.

A critical reader of an earlier draft of this paper suggests an alternative approach. He thinks that it makes more sense to work in the following sequence: (1) most crucial is for a capable and clean political leadership to establish itself in power, with a vision and strong determination to modemise the country, (2) establish a system of check and

balance, based on democracy; transparency and rule of law, (3) form a corps of competent and integral functionaries to carry out the task, (4) build a state which has the muscle to negotiate with foreign powers, (5) work in co-operation with an international organisation which can set equitable rules for all countries, and this organisation should not be dominated by the USA, Japan, Europe and their transnational corporations. The suggestion is certainly very attractive as understood from how the West has developed and from the position of fairness. However, Asia is not duplicating the Western history of capitalist growth and modernity, and certainly it should never follow the example of slave trade and colonialism. There is a strong undercurrent in all sectors of society in Asian countries to want to evolve their own model of development and modernization. These non-followers of the Western model can point to the distinct national types of organizing firms, and many of them appear viable. And high capitalism has exhibited features that few can claim to understand; witness the recent bouts of financial crises that hit Mexico, East Asia, Russia and Brazil from 1994 to 1999. Whatever its nationalist or ideological basis, there is too much opposition to the Western model for it to have much chance of being simply copied, at least not in the short term.

The approach outlined by me earlier on is more conservative. It is an improvement on the status quo. Most important of all, it is in line with the historical legacy and cultural heritage. It would be something most ordinary Chinese can identify with, and it does not pose a direct challenge to the body politic. In short, it stands a chance of being realized. Social progress often does not proceed along a rational and orderly manner. A faster way to reach a goal may require a society to make detour and negotiate bends.

Societal Resources and Globalisation: a General Observation

While we must draw on our societal resources to benefit from the implications of globalization, some questions need to be raised with respect to how we can contribute to the growth of societal resources. What about the societal resources today? How are they impacted by the homogenising process of market-driven globalization? What sort of civilizations are emerging today? Crass materialism? Or something that values human freedom, aesthetics, culture, etc.? What can history inform us on this?

The recent rapid economic growth of Asia (in spite of its financial crisis), though a remarkable achievement in itself, does not enable nor guarantee a kind of corresponding

flowering in the fields of cultural and intellectual development. The technological and economic successes of America have not spurred the Western civilization to newer heights. In Silicon Valley – an ostentatious icon of business ethos of globalisation, well-educated multimillionaires and multi-billionaires live in a world of their own, oblivious to the misery of life in the *bairios* in its midst. Indeed, the valley of high-tech innovation is often guilty of being an economic success but a social and political failure (Micklethwait and Wooldridge 2000). One can even argue that the successes have indeed brought out its more Philistine features; cultures and sports are so commercialised. A similar point is illustrated by the European experience. The ancient Greece was in today's standards a poor place to live in. Yet its intellectual achievement remains until today and for a long time to come a standard for all to strive for. Economic prosperity *can* function as a basis for the growth of enduring literature and ideas. For that to happen, however, more is needed. Based on a study of the Renaissance, Hale (1993) points out that the broad correlation between creativity and commerce is weak. The printing press was invented in Germany around 1450. But the forward-looking and exciting intellectual movement known as Renaissance did not first appear in Germany, but in Italy. The political condition in Italy, being fragmented into many weak states, somehow provided the conditions for spread of literacy, new trends in arts, and the revival of classical learning. Italy was definitely much poorer than the great colonial powers England and Spain. Even so, cities like Florence were a Mecca for artists, scientists, architects and writers from all over Europe (Finer 1996). Asian economic prosperity may thus be seen *as* an *opportunity* for a new Asian awakening and cultural resurgence. Herein lies the challenges for the Asian political, military, business and community leaders in building the New Asia, if they are wise enough not to squander away the opportunity.

Beyond the realm of high culture and intellectual life and closely related to them is a key issue of social solidarity. It would be a sad commentary on a society when the GNP figures are rosy in the midst of a booming lock-and-key industry, unsafe public parks, common indifference to social ills, and general symptoms of moral decay. Such negative social attributes are bound to impose costs in economic activities. In a competitive environment, other things being equal, such a society will lose out to one with greater societal resources. Here we are being coolly reminded that it is the quality of human

beings -- leaders, opinion makers, scholars, and the people generally -- that make a civilization.

Beyond Economic Modernisation – a More Challenging Agenda for Asia

In concluding this paper, I will depart from the usual practice of summing up the main points of the preceding section. Rather, I would like to reflect on the opportunities, potentials and a more challenging agenda for the New Asia.

To give a new twist to the term global, development should be global in the social sense, to encompass spirituality, cultural advancement, civil society and material progress. In Southeast Asia and other places in Asia, one can find all the major currents of world religions, cultures and traditions co-existing as the mainstreams of social life. From the perspective of cultural society, they represent invaluable resources. A cultural society would encourage its bright minds to take full advantage of them and based on them to create something new and richer. Its ethos can help to moderate the currently prevalent obsession with pursuit of material wealth. We should be inspired by the legacies left behind for us by the great civilizations. In the same way we should bequeath to the future generations something just as enduring.

In other words, though the Asian revival has its home base in Asia, its sources are international in scope and its meanings universal. It is thus a historical movement with a mission to rediscover, preserve, promote, invigorate, synthesise and bring to a newer height nothing less than the human cultural and intellectual heritage. Such perspective provides a new meaning, an attractive alternative and above all a more inspiring turn to the term globalisation - for China, Asia and the whole world.

Acknowledgement: I am grateful to the participants of the research seminar at The Chinese Academy of Social Sciences as well as F Y Choo, Abdul Rahman Embong, Steve Peters, Peter Poon, F H Tang, and Hans Visser for their thoughtful comments on an earlier draft. The usual disclaimer applies.

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